



DEFERRED COMPENSATION ADVISORY COMMITTEE

MINUTES

Thursday July 22, 2010

For information about this meeting, contact the Deferred Compensation Plan Office at (408) 975-1465 or email DeferredCompensation@sanjoseca.gov

Vice Chair Franco Vado called the Deferred Compensation Advisory Committee meeting to order at 9:09 a.m. on Thursday, July 22, 2010, City Hall, W-120.

Roll Call

Franco Vado, Vice Chair	Police Representative (501-0960)
Peter Jensen	City Manager's Representative (975-7290)
Donna Busse	Management Employees' Representative (794-1020)
Carol Garcia	Employees' Representative (808-2131)
Julia Cooper	City Manager's Representative (535-7011)

Unexcused Absence

Pascal Roubineau	Employee's Representative (277-2660)
Robert Sapien, Chair	Firefighter Representative (277-8810)

Also Present

Linda BJORKE	City Attorney's Office
Jeanne Groen	Human Resources, Committee Secretary's Designee
Heather Ruiz	Human Resources, Deputy Director
Dinia Robledo	Human Resources, Deferred Compensation Staff
Rhonda Schmidt	Human Resources, Employee Benefits Staff
Kelly Wright	Human Resources, Employment Services Staff
John Mayer	Buck Consultants
Gary Bozin	ING
Elizabeth Sanford	Councilmember Pete Constant's Office
Mike Ryder	Finance

APPROVAL OF MINUTES

1. **M.S.C** (Jensen/Cooper) to approve the minutes for the regular Deferred Compensation Advisory Committee meeting on June 24, 2010.

DISCUSSION/ACTION ITEMS

2. Discuss and approve the following:
 - a. First Amendment to the Stabilizer Contract, a group annuity services agreement with ING Life Insurance and Annuity Company for the Stable Value fund option, and

NOTE: If you have any questions or concerns, please contact Courtney Phommachack at (408) 975-1433

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- b. Second Amendment to the Agreement with ING Life Insurance and Annuity Company and ING Financial Advisors to ensure incorporation of City's standard contract terms in the Stabilizer Contract, or
- c. Alternatively, if the above Amendments are not finalized before the Committee's July meeting, Staff recommends that the Committee approve authorization of the Secretary to negotiate and execute the above Amendments as necessary to implement the terms described in the attached staff memo, and/or
- d. provide direction to staff

Jeanne Groen discussed the status of the First Amendment to the Stabilizer Contract and the Second Amendment to the Agreement with the ING Life Insurance and Annuity Company and ING Financial Advisors. The agreements are not finalized but it is expected they will be completed soon. Jeanne reviewed the provisions of the amendments as provided in the Staff memo.

M.S.C. (Jensen/Garcia) to:

- 1) Direct the Secretary to negotiate and execute the First Amendment to the Stabilizer Contract, consistent with the summary provided in the Staff memo and with corrections to the following:
 - a. On page 2 of the memo, under letter "A," correct language for how the credit rate floor will be reduced to reflect the chart shown on page 3 under letter "f.", as follows:
 - i. "Reduce the minimum credit rate floor by 0.25% until the minimum floor reaches 1.00%, and then reduce the credit rate floor to 0.00%. ING has agreed to reduce the credit rate floor from 3.00% to 2.75% beginning 9/1/2010. This new rate will remain in effect through the end of 2010. Every quarter thereafter, the credit rate floor will reduce 0.25% until it reaches 1.00%, then, effective October 1, 2012 and after the credit floor will be reduced to 0.00%. This action will help to increase the market-to-book ratio in the future."
 - b. On page 3, under letter "c," correct "book-to-market ration is less than 0.95%" to "market-to-book ratio is less than 95%", and,
- 2) Direct the Secretary to negotiate and execute the Second Amendment to the Agreement with ING Life Insurance and Annuity Company and ING Financial Advisors to include the City's standard terms and conditions.
- 3. Discuss Staff's report on status of the ongoing 1999-2007 Reconciliation project, and provide direction to staff

Jeanne Groen reviewed the Staff memo and informed the Committee that all reconciliations issues are resolved. In addition, Jeanne recognized Mike Ryder, Dan Kadomoto, Fred Tran and Courtney Phommachack for their work on the project.

- 4. Discuss and accept verbal report on the Sr. Analyst position effective August, 2010

Jeanne Groen announced that Kelly Wright from Human Resources will fill the Senior Analyst position effective August 9, 2010.



M.S.C. (Jensen/Busse) to accept the report.

INFORMATIONAL ITEMS

5. Report on Legislative, Market and Consultant Activity
John Mayer, Buck Consultants, provided the report.
6. Verbal Update on ING Service Provider
Gary Bozin, ING, provided the report.
7. Review ING Service Log and Loan Activity Report for May, 2010
Gary Bozin, ING, provided a summary of the reports.
8. Update on June, 2010 Fund Performance Summary
Gary Bozin, ING, provided a summary of the reports.

NEXT MEETINGS

9. Next Committee Meeting: Thursday, August 26, 2010, City Hall, W-120, 9:00 a.m.

OPEN FORUM

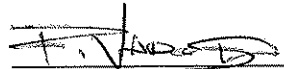
10. There was no public comment.

UNFORESEEABLE EMERGENCY WITHDRAWAL APPEALS

11. None.

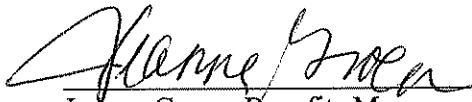
ADJOURNMENT

12. M.S.C. (Jensen/Busse) to adjourn at 10:00 a.m.



Franco Vado, Vice Chair
Deferred Compensation Committee

ATTEST:



Jeanne Groen, Benefits Manager
DCAC Secretary's Designee

NOTE: M.S.C. MEANS MOTION SECONDED AND CARRIED, UNLESS OTHERWISE INDICATED, MOTION PASSED UNANIMOUSLY.

